

FROM THE Governor

**ERNIE
FLETCHER**
Governor



This past year brought historic changes to the structure of Kentucky agriculture with the passage of a federal tobacco buyout. Fortunately, Kentucky has a five-year jump start over other tobacco states with its investments from the Agriculture Development Fund.

In five short years since the first projects were approved, over \$190 million from the Agricultural Development Fund has been invested in Kentucky agriculture, \$26.6 million this past year. With matching funds, this brings the total investment in Kentucky agriculture to nearly \$400 million.

We must maintain our commitment to Kentucky's farmers. I am committed to ensuring that 50 percent of the Tobacco Settlement Fund is dedicated to the Agricultural Development Fund. These funds are being used to improve production practices and enhance marketing opportunities for agricultural products that are *Kentucky Proud*.

It is critical that we give our family farms the support they deserve so that they can make the decision to stay in tobacco farming or move on to other opportunities. That is why I pursued buyout legislation during my congressional term. I am happy that Congress passed a \$10.1 billion tobacco buyout at the end of 2004 so Kentucky producers can begin to plan their future with or without tobacco.

While we can take great pride in our heritage, I believe Kentucky's agricultural community will see an even brighter future. It is imperative that we continue to provide the funding and incentives necessary for them to remain on the farm. It is not only a commitment that we must make to our farmers, but also a commitment that must be made to all of Kentucky.

FROM THE Commissioner

**RICHIE
FARMER**
Commissioner of
Agriculture



In 2000, Kentucky's varied agriculture interests joined forces to persuade the General Assembly to dedicate half the state's tobacco settlement funds to changing the course of Kentucky agriculture. In the fifth year of this bold investment in agriculture's future, cash receipts for Kentucky farm products crossed the \$4 billion mark for the first time. We have built upon Kentucky's strength in beef cattle while establishing a strong position in emerging industries such as ethanol production. In the pages that follow you will read about just two of the many investments creating prosperity for Kentucky farmers.

Much more needs to be done, and the future brings new challenges. With the quota buyout, tobacco income in 2005 is estimated to be about half the 2004 level. Animal and plant diseases threaten our industry. Foreign competitors are depressing the prices of farm commodities around the world. In these uncertain times we must maintain our investment in the future of Kentucky's rural communities and our diligence against outside threats to Kentucky agriculture.

Our Kentucky Proud producers see challenges as opportunities waiting to be found. They are on the front lines of a march toward economic stability and prosperity. Kentucky's policymakers are obliged to offer them the resources to succeed. If we do that much, they will prevail, lifted up by perseverance, imagination, and dedication to faith and family.

Together we can build a strong rural economy where our farmers can prosper on the farm. Their children and grandchildren can learn the value of hard work and discipline, and the satisfaction of living off the land.

This volume of *Kentucky Agricultural Statistics* is a snapshot of our industry at a crossroads. Let's all recommit ourselves to work together to preserve Kentucky's rich agricultural heritage and lay the groundwork for a bright and prosperous future.

FROM THE Director

**LELAND E.
BROWN**
Director
Kentucky Field Office,
National Agricultural
Statistics Service



We are pleased to present the 2004- 2005 edition of *Kentucky Agricultural Statistics*. This publication is a cooperative effort between USDA's National Agricultural Statistics Service, Kentucky Field Office and the Kentucky Department of Agriculture, and contains current statistics for Kentucky's agricultural industry.

The voluntary cooperation of thousands of farmers and agribusinesses, and the dedicated efforts of the Kentucky Field Office staff in compiling the collected data, are essential for us to maintain reliable facts on the changing face of Kentucky agriculture.

These statistics will play a vital role in the evaluation of the impact of the tobacco buy-out legislation to Kentucky agriculture and will help measure the success of the Commonwealth's efforts to diversify from tobacco.

A special thanks also goes to the dedicated staff of field and telephone enumerators who have spent many hours collecting data. These enumerators are our goodwill ambassadors to Kentucky's agricultural community.

This book is only one of many ways to receive statistical reports on Kentucky agriculture. Please visit our Web site at www.nass.usda.gov/ky and view all our reports there. Reports can be delivered free to your e-mail address, or hardcopy reports are available for a small fee.

Please contact us any time with your questions, comments and requests for information. The staff of the Kentucky Field Office is dedicated to serving the agricultural data needs of all users.